IN THE SPECIFICATION

Please replace the paragraph at page 16, lines 1-11, with the following rewritten paragraph:

Thereafter, based upon the data from the optical unit 5 at the left side, a determination starts as to whether or not the designating device 4 has been inserted into (has touched) a coordinate inputting/detecting plane of the coordinate/inputting detecting area 3 (step S4). The determination is made by judging if the digital output signal from the light receiving element 13, which has been input into the CPU 31, exceeds a predetermined threshold value, i.e. exceeds a first threshold value. The predetermined threshold value is stored in the ROM 32 in advance as digital data, and the digital output signal from the light receiving element 13 is compared with the predetermined threshold value. For increasing the reliability of detection, the threshold value, which is set to be relatively low, is used in the above process. Thus, it is determined that the designating device 4 has been inserted into a predetermined range of the coordinate inputting/detecting area 3 when a detect signal of the optical unit 5 exceeds a predetermined threshold value.

Please replace the paragraph at page 19, line 12 to page 20, line 15, with the following rewritten paragraph:

Then, a threshold value, which is used for obtaining the coordinates of the designating device 4 in the coordinate inputting/detecting area 3, is set for each output signal from the optical units 5 according to the calculated distances "a" and "b" between the optical units 5 and the designating device 4 inserted into the coordinate inputting plane of the coordinate inserting/detecting area 3 (step S19). In this setting, the threshold value is set to decrease as the distance between the optical unit 5 and the designating device 4 increases. As an example, if a light receiving level of the light receiving element 13 is 10 (black) when the

distance between the optical unit 5 and the designating device 4 is 100mm and 200 when the

distance is 2000mm, the formula for obtaining the threshold value is as follows:

Threshold value= {(distance "a" or "b" - 100)÷10} + 10 + γ,

wherein γ is a predetermined value to be added so that a signal resulting from the detection of

a position can be securely recognized even when the signal is disturbed by noise. In order to

secure the reliability of detection, a lowest threshold value is set such that the designating

device 4 located at a farthest point from the optical units 5 in the coordinate

inputting/detecting area 3 can be detected. Thus, the optimum threshold value is calculated

for each optical unit 5 according to the distance between the optical units 5 and the

designating device 4 inserted into the coordinate inputting plane of the coordinate

inputting/detecting area 3. Thus, the function (the second function) of a second threshold

value setting device to set a threshold value, i.e. to set a second threshold value, used for

obtaining the coordinates of the designating device 4 in the coordinate inputting/detecting

area 3 such that the threshold value is smaller as the distance between the optical unit 5 and

the designating device 4 inserted into the coordinate inputting plane of the coordinate

inputting/detecting area 3 is longer is performed. Each threshold value calculated here is

larger than the one used for the processes of steps S5 and S14. That is because while, in the

processes of step S5 and S14, whether or not the designating device 4 has been inserted into

the coordinate inputting/detecting plane of the coordinate inputting/detecting area 3 is

determined and therefore, for securing a reliable determination, the threshold value must be

set to be relatively small so that a detection can be easily made, the threshold value used for

obtaining the coordinates of the designating device 4 in the coordinate inputting/detecting

area 3 must be set to be as high as possible so that a trailing phenomenon can be prevented as

described above. Thus, the function of a first threshold value setting device (a first threshold

setting function) to set a threshold value, which is used in obtaining the coordinates of the

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designating device 4 in the coordinate inputting/detecting area 3, so as to be higher than a

threshold value which is used in determining whether or not the designating device 4 has

been inserted into the coordinate inputting/detecting plane of the coordinate

inputting/detecting area 3, is performed.